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THE TRADE AGREEMENT IN THE COAL INDUSTRY

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Much greater progress could be made in the settlement of our so-called labor problems, and in the better organization of our industrial state, if the employers and the public became acquainted with and would recognize the differences between trade unionism, socialism, anarchism, and the efforts of the social worker. I have the past year more than ever become convinced of the necessity of this distinction being emphasized as a result of testing audiences before whom lectures were given on "The Labor Movement: Its Social Significance." In nearly every instance I found that the public and the employers, as represented in the audiences, jumbled the trade unionist, the socialist, the anarchist, and the social worker all together and either denounced or praised them all in one breath.

There are fundamental differences between all these which prevent their being included in the same classification. It is true that the anarchist, the socialist, the trade unionist, and the social worker are all protesting against and fighting the evils of capitalism. At the same time not only are the theories of anarchism and socialism opposed fundamentally, the former meaning practically no government and the latter all government, but socialism and trade unionism are also by no means the same thing. The socialist, in brief, wants the government to own the means or instruments of the production and distribution of wealth—he would have the railroads, the coal mines, the steel plants operated by the government for the general welfare, and not by private capital for profit. The trade unionist, on the other hand, will have none of this—he accepts the present capitalistic system of production which allows to capital its interest and dividends and to the management its salaries, but would change or modify somewhat the system as it affects wages. In substance, trade unionism declares that the welfare of the wage-earner does not necessarily involve the overthrow but merely the modification of our present capitalistic system of the production and distribution of wealth. This he would bring about

through collective bargaining,—by means of joint conferences between representatives of employers and employees for determining wages and conditions of employment. Out of these conferences comes the trade agreement. This trade agreement is the labor movement's reply to socialism.

The trade agreement is already an actual fact and is working fairly successfully in many of the important industries of the country. It is to be found on all our leading railroads, the engineers, firemen, conductors, and trainmen, through their respective brotherhoods, entering into yearly agreements with the transportation companies. We also find it in the hat industry, between the iron moulders' union and their employers, among boot and shoe makers, among metal polishers, in the building trades, between composers and publishers, in some branches of the iron and steel trades, in the glass industry, between garment manufacturers and their workers, in the pottery industry, between the bridge and structural iron workers and their employers, in the shipping industry on the Great Lakes between the longshoremen and the vessel owners, and in the coal mining industry.

The fundamental principles underlying the trade agreement are the same in all these industries, their form of expression differing, however, in details. An idea of these principles can be gained from a study of those formulated by the Interstate Joint Conference of the coal operators and mine workers of what is known as the central competitive soft coal territory, which includes western Pennsylvania, Ohio, Indiana, and Illinois. These principles are as follows:

First. That this joint movement is founded, and that it is to rest, upon correct business ideas, competitive equality, and upon well-recognized principles of justice.

Second. That, recognizing the contract relations existing between employer and employee, we believe strikes and lockouts, disputes and friction, can be generally avoided by meeting in joint convention and by entering into trade agreements for specified periods of time.

Third. That we recognize the sacredness and binding nature of contracts and agreements thus entered into, and are pledged in honor to keep inviolate such contracts and agreements, made by and between a voluntary organization, having no standing in court, on the one hand, and a merely collective body of business men doing business individually or in corporate capacity on the other, each of the latter class having visible and tangible assets subject to execution.

Fourth. That we deprecate, discourage, and condemn any departure

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whatever from the letter or spirit of such trade agreements or contracts, unless such departure be deemed by all parties in interest for the welfare of the coal mining industry and for the public good as well, and that such departure is first definitely, specifically and mutually agreed upon by all parties in interest.

Fifth. Such contracts or agreements having been entered into, we consider ourselves severally and collectively bound in honor to carry them out in good faith in letter and spirit, and are so pledged to use our influence and authority to enforce these contracts and agreements, the more so since they rest in the main upon mutual confidence as their basis.

The machinery for the practical accomplishment of these objects is the joint convention. This usually meets once a year, and after discussions of the points at issue, sometimes extending over several weeks, a contract as to wages and conditions of employment for the scale year from April 1st to March 31st, is signed by representatives of each side. While this agreement settles a number of very important questions, it should not be inferred that both sides are perfectly satisfied.¹ This would be expecting the millennium in the industrial world.

But certain fundamental principles have been established by this joint movement. The "right" of the mine workers to organize for their own protection and for the improvement of their condition of employment is recognized by the operators; the "right" of the men to be represented in settling disputes and agreeing upon the prices for which their labor is to be sold is conceded by the operators treating directly with the officers of the United Mine Workers of America. These two principles are now firmly established in the central competitive coal fields; in the territory comprising Missouri, Kansas, Arkansas, Indian Territory, and Texas, and also in about a dozen other coal-producing states. Not only do the operators of those states who are parties to the agreement depend largely upon the United Mine Workers to enforce upon non-union employees as well as upon its own members the agreement entered into, but they also look to the union rather than to themselves to see that the operator who might attempt to violate the contract is compelled to live up to its terms. In many cases the operators have gone so far as to recognize all their employees, with but few exceptions,

¹As to the questions of agreement and disagreement, as well as for a more detailed account of the operation of the joint conference machinery in the coal industry, the reader is referred to the author's "The Coal Mine Workers," Longmans, Green & Co., New York City.

as members of the United Mine Workers. This joint movement in the bituminous coal fields has thus established well-defined rights on both sides.

The central competitive soft coal territory, so called because the states comprised in it have a common market for their product at the Great Lake ports, includes also West Virginia. But West Virginia is not a party to the joint conference scheme, which has for its object the control of the competitive conditions affecting the production and marketing of coal from these five states. It was against just such conditions as are presented to-day by the uncontrolled competition of West Virginia that the movement was inaugurated among the operators and mine workers in 1885. The first convention was held at Columbus, Ohio, in February, 1886, West Virginia then being represented by both operators and mine workers.

Those at the head of the movement realized at the beginning that the problem was a control of competitive conditions in the fields having a common market. Such control, to be effective, meant that the operators and mine workers in one district should have no unnatural advantages over those in any other district. Failure to control these varying conditions meant that the coal of one field or state would enter the market bearing a lower price than the product of the other district, and naturally, the lower priced commodity, other things being equal, would undersell that bearing a higher price. The tendency under such conditions would be that eventually the price of coal from all the districts would reach the level of the cheapest, resulting in forcing out of business those operators having a higher cost of producing their coal. Thus the interstate movement could recognize no favored district, but all the innumerable elements which enter into determining the price of coal, such as natural advantages, nearness to market, cost of transportation, the quality of the coal, the price of mine labor, etc., had to be taken into consideration and if possible so regulated that the product from all the districts should bear very nearly the same price when it reached a common market.

The first attempt in this direction met with failure and very largely under circumstances somewhat similar to those presented in the present situation. Then the operators of one district, very soon after the movement was launched, complained that operators in another district possessed advantages which enabled the latter

to put their coal on the market at a lower price and by thus underselling the former to threaten their business success. Attempts were made then, as now, by those believing themselves to be at a disadvantage to remedy the particular conditions of which they complained. Friction naturally resulted, and failure after failure to keep the basis agreed upon was apparent in the different districts. So many unforeseen factors continually entered in to disturb temporary adjustments that the agreement could not keep the central competitive districts together, West Virginia, Illinois, and Indiana being the first states to withdraw. Within two years from its inauguration, the movement had practically gone to pieces, with the exception of state agreements in some of the districts.

In 1898, however, following the strike in the central competitive territory the preceding year, the Interstate Joint Conference machinery was restored to the four districts of western Pennsylvania, Ohio, Indiana, and Illinois and has been in operation most of the time since then. West Virginia has not been a party to its deliberations and agreements, however, and herein lies the weakness of the entire movement for the future. As long as the West Virginia operators and mine workers are outside the conference, the very foundation of the movement in the central fields is threatened. And until that state is brought within the jurisdiction of the interstate agreement, it cannot be said with certainty that the permanency of the joint conference method of preventing industrial wars between employers and employees in the coal industry of the country is assured.

The trade agreement in the anthracite industry has taken a somewhat different form, although its fundamental principles are the same. In the soft coal territory referred to, the joint conference was the outgrowth of the efforts of operators and miners themselves to settle their own differences. In the hard coal industry, the trade agreement principle was forced upon the operators by the intervention of President Roosevelt in bringing to a close the memorable strike of 1902. The establishment of this principle was among the demands of the United Mine Workers which brought on that great struggle. Out of the throes of that five months' strike and through the decision of the Anthracite Coal Strike Commission has come one of the most remarkable and, all in all, one of the most successful experiments in industrial conciliation that this country has so far witnessed.

The commission, in its awards, established a board of conciliation whose object was to settle the disputes between the contending parties. The constitution of this board was decreed as follows by the commission's award:

That any difficulty or disagreement arising under this award, either as to its interpretation or application, or in any way growing out of the relations of the employers and employed, which cannot be settled or adjusted by consultation between the superintendent or manager of the mine or mines, and the miner or miners directly interested, or is of a scope too large to be so settled and adjusted, shall be referred to a permanent joint committee, to be called a board of conciliation, to consist of six persons, appointed as hereinafter provided. That is to say, if there shall be a division of the whole region into three districts, in each of which there shall exist an organization representing a majority of the mine workers of such district, one of said board of conciliation shall be appointed by each of said organizations, and three other persons shall be appointed by the operators, the operators in each of said districts appointing one person.

The board of conciliation thus constituted shall take up and consider any question referred to it as aforesaid, hearing both parties to the controversy, and such evidence as may be laid before it by either party; and any award made by a majority of such board of conciliation shall be final and binding on all parties. If, however, the said board is unable to decide any question submitted, or point related thereto, that question or point shall be referred to an umpire, to be appointed, at the request of said board, by one of the circuit judges of the third judicial circuit of the United States, whose decision shall be final and binding in the premises.

The membership of said board shall at all times be kept complete, either the operators' or miners' organizations having the right, at any time when a controversy is not pending, to change their representation thereon.

At all hearings before said board the parties may be represented by such person or persons as they may respectively select.

No suspension of work shall take place, by lockout or strike, pending the adjudication of any matter so taken up for adjustment.

This board of conciliation has been kept in existence, down to the present time, by mutual agreement between representatives of the operators and miners.

The board was not designed to pass upon all the questions growing out of the relation of employees and employers in the anthracite industry. It is in a sense a final court of appeal, and before any disputed point can come before it for settlement efforts must first be made by the interested parties to settle it among themselves. To this end the rules of procedure adopted by the board at its organization meeting provide that:

If any employee or body of employees have any grievance or complaint growing out of the interpretation of the awards of the Anthracite Coal Strike Commission, or out of the application of said awards or in any way growing out of the relations of employees or employer, said employee or employees directly interested shall present such grievances to the foreman directly in charge of the mine. If there shall be a disagreement with the foreman or a failure on the part of the foreman to satisfactorily adjust such grievances, the employee or employees directly interested or a committee of same shall request an interview with the superintendent or manager of the mine or mines for the purpose of adjusting said grievances. In case of failure to arrive at a satisfactory adjustment of grievances the employees shall present in writing such grievances to the members of the board of conciliation representing the district in which the mine or mines are located, stating fully the grievance which they desire to have adjusted and offering satisfactory proof that efforts have been made to arrive at an adjustment with the superintendent or manager. In case of a failure on the part of the superintendent or manager of the mine or mines to grant an interview to the employee or employees within ten days, the said employees may present in writing to the members of the conciliation board representing their district proof that they have made reasonable efforts to secure such interview. In such case the board of conciliation or the members of the board representing the said district will endeavor to secure for them an interview with the superintendent or manager of the mine or mines in question.

Only after the above action has been taken and the grievance still remains unsettled does the case come formally before the board. It then notifies the company or operator with whom such difficulty or disagreement has arisen, and requests from it or him a statement setting forth the reasons for not adjusting the matter. Upon the receipt of such a statement the board uses its discretion in requesting the presence of both parties to the disagreement for a full and complete hearing of the case. Provision is also made for the employers to present their complaints to the members of the board representing the district in which the mine or mines are located, the board receiving such complaints and calling for a statement from the employees directly concerned relative to the reasons for such complaint or disagreement, and if the board deems it necessary it will request both parties to the issue to be present before it for a hearing of the case.

Inasmuch as the award of the strike commission provides that no suspension of work shall take place pending the adjudication of any matter brought before the board for settlement, the latter has ruled, with the view of preventing strikes and lockouts, that it

will not take up and consider any question referred to it unless the employees shall remain at work, with the understanding that if the board finds the grievances justifiable, its adjustment shall be retroactive.

Thus in both the soft and hard coal industries of the United States has been established the trade agreement principle of preventing strikes and lockouts and industrial disturbances generally. No one who is familiar with the conditions in these great industries both before and since this principle was established can do other than record his emphatic conviction that it has been of inestimable value to the peaceable conduct of those industries. Its successful operation proves the existence of a practical method of doing away with industrial wars.

One point in particular needs to be emphasized, as it takes away much of the strength of the criticism aimed at the trade agreement method for settling disputes between capital and labor. This point is the fact that under its operation in the soft coal industry there has been effected a reduction in wages as well as increase in wages, and this reduction has been brought about peaceably and without recourse to a strike on the part of the mine workers or a lockout by the operators. This was in 1904, when the proposal of the operators for a reduction of wages was submitted to a vote of the mine workers of the districts comprised in the central competitive territory. This ballot was taken on Tuesday afternoon, March 15th, between 1 and 6 o'clock, the mines being closed in these particular coal fields between those hours in order to give every mine worker an opportunity to vote. The balloting was upon the direct issue: The operators' proposition, or a strike. The result was in favor of a continuance of work under a reduction in wages by a vote of 101,792½ to 68,485½. The fraction of a vote in the totals is explained in the fact that boy members each have one-half a vote. In a circular to the mine employees in the districts affected, sent out prior to the balloting, the national officers of the United Mine Workers stated that industrial conditions generally were adverse to the success of a strike at that time, and they recommended the acceptance of the operators' proposition. This one fact—this voluntary acceptance of a wage reduction—would seem to place the trade agreement machinery on a sound and enduring foundation as a part of the coming industrial state.

While the joint movement was resumed in the central competitive soft coal territory in 1898, it has not been in continuous operation, there having been years when the miners and operators were unable to come to any satisfactory understanding. Under such conditions, it has nearly always been the case that trade agreements were entered into between the miners and operators of the separate states. This is the situation at the present time. It is important to note that during the continuance of the agreement of contract no strike or lockout of any serious proportions has occurred in any of the states subject to its jurisdiction. In the four years preceding 1898, during which the agreement had lapsed for various causes, strikes and lockouts and general industrial unrest among the mine workers were the rule rather than the exception. It does not follow, however, that the joint agreement prevents absolutely all possibility of industrial disturbances—this power is not claimed for the movement even by its most ardent advocates. It does tend, however, to preserve industrial harmony between the two conflicting interests, secure more stable market and labor conditions, and reduce to a minimum the possibility of strikes and lockouts.